

Washington, DC – Today, Representative Earl Blumenauer (OR-3) introduced legislation that would fund a Vehicle Miles Traveled (VMT) pilot program to examine a new source of funding that would help make up for the Highway Trust Fund deficit. The legislation calls on the Secretary of the Treasury to undertake a series of studies to demonstrate the viability of a VMT revenue source in every state, and it reflects a successful pilot program undertaken in Oregon.

“We must invest now in our nation’s roads, bridges, and public transit to prevent enormous costs in the future,” said Rep. Blumenauer. “With the Highway Trust Fund facing a 21% reduction revenue by 2040, based on current driving patterns and projected increases in fuel economy, we need innovative solutions to close this gap.”

Over the past four years, Congress has transferred over \$48 billion from the General Fund into the Highway Trust Fund. Estimates suggest that, when the current transportation authorization expires, the Trust Fund will require almost \$15 billion a year in addition to current gas tax receipts simply to maintain 2009 funding levels.

Failure to adequately fund transportation infrastructure imposes huge costs on American citizens and businesses:

- Congestion costs urban Americans 4.2 billion hours and 2.8 billion unnecessary gallons of fuel each year; expressed in dollar terms this is \$87.2 billion, or \$750 per traveler. By 2015, this cost is expected to increase to more than \$900 per traveler.
- Roughly 40,000 people every year are killed on our streets and highways, with 2.5 million more injured, at a staggering annual economic cost to society.
- Higher transportation costs and higher inventory carrying costs – partially attributable to an unreliable transportation system – have pushed logistics costs to nearly 10% of GDP.
- Analysis by the American Society of Civil Engineers suggests that the cost of our failing transportation system could result in the loss of 876,000 jobs by 2020.

“Oregon and other states have successfully tested a Vehicle Miles Traveled fee, and it is time to test this model systematically, across the country,” continued Blumenauer. “While evaluating mileage-based revenue sources, this legislation will ensure the system protects privacy and is simple to administer. It will also convene working groups to address the most complex aspects of this transition, including road use, demand management, climate change, and technology needs.”

Two blue ribbon commissions have suggested that transitioning to a VMT system, rather than a gas tax, will provide the most stability to the Highway Trust Fund, and will most accurately reflect the user-fee concept it is based upon. The National Surface Transportation Policy and Revenue Study Commission noted that a VMT charge is the “the most promising alternative revenue measure” to the existing gas tax, while the National Surface Transportation Infrastructure Financing Commission reported that “a charge for each mile driven . . . has emerged as the consensus choice for the future.” Both commissions found that this system was efficient at raising revenue, closely linked system demand to revenues, and could win broad public support.

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